



# Huhtamäki Oyj Interim Report Q3 2021

January 1 – September 30, 2021

**Huhtamäki**

## Solid performance despite a challenging cost environment

### Q3 2021 in brief

- Net sales increased 6% to EUR 896 million (EUR 847 million)
- Adjusted EBIT was EUR 76 million (EUR 86 million); reported EBIT was EUR 65 million (EUR 65 million)
- Adjusted EPS was EUR 0.51 (EUR 0.56); reported EPS was EUR 0.41 (EUR 0.43)
- Comparable net sales growth was 4% at Group level and 5% in emerging markets
- The impact of currency movements was EUR 3 million on the Group's net sales and EUR 0 million on EBIT

### Q1-Q3 2021 in brief

- Net sales increased 3% to EUR 2,575 million (EUR 2,489 million)
- Adjusted EBIT was EUR 233 million (EUR 229 million); reported EBIT was EUR 211 million (EUR 217 million)
- Adjusted EPS was EUR 1.53 (EUR 1.46); reported EPS was EUR 1.35 (EUR 1.40)
- Comparable net sales growth was 6% at Group level and 11% in emerging markets
- The impact of currency movements was EUR -78 million on the Group's net sales and EUR -8 million on EBIT

### Key figures

EUR million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Net sales	896.3	847.3	6%	2,575.3	2,489.0	3%
Comparable net sales growth	4%	2%		6%	-1%	
Adjusted EBITDA <sup>1</sup>	119.2	127.2	-6%	358.0	356.3	0%
Margin <sup>1</sup>	13.3%	15.0%		13.9%	14.3%	
EBITDA	108.0	120.1	-10%	337.1	363.2	-7%
Adjusted EBIT <sup>2</sup>	76.3	85.5	-11%	233.1	229.2	2%
Margin <sup>2</sup>	8.5%	10.1%		9.1%	9.2%	
EBIT	64.9	64.7	0%	211.5	217.4	-3%
Adjusted EPS <sup>3</sup>	0.51	0.56	-10%	1.53	1.46	4%
EPS, EUR	0.41	0.43	-6%	1.35	1.40	-3%
Adjusted ROI <sup>2</sup>				11.5%	11.9%	
Adjusted ROE <sup>3</sup>				15.1%	14.9%	
ROI				9.7%	11.3%	
ROE				12.4%	14.3%	
Capital expenditure	62.3	40.6	54%	147.2	120.3	22%
Free Cash Flow	-9.9	103.7	< -100%	27.5	149.6	-82%
<sup>1</sup> Excluding IAC of	-11.2	-7.1		-21.0	6.8	
<sup>2</sup> Excluding IAC of	-11.4	-20.9		-21.6	-11.8	
<sup>3</sup> Excluding IAC of	-10.4	-13.8		-18.2	-6.8	

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2020. Figures of return on investment (ROI), return on equity (ROE) and return on net assets (RONA) as well as net debt to EBITDA presented in this report are calculated on a 12-month rolling basis.

The figures in the tables are exact figures and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

## Charles Héaulmé, President and CEO

"Huhtamaki delivered a solid third quarter in the face of a challenging environment, demonstrating the resilience of our diversified product portfolio. Demand for our products improved during the quarter, supported by the continued recovery of on-the-go consumption. We continued to focus on mitigating the inflationary environment, managing the availability of raw materials and addressing the continued impact of COVID-19.

During the third quarter of 2021, our net sales increased by 6% with a comparable sales growth of 4%. All our business segments contributed to our solid growth, particularly visible in emerging markets. At the Group level, comparable net sales growth from the beginning of the year was 6% compared to the previous year, with a double-digit growth in Foodservice Europe-Asia-Oceania with Q3 segment sales returning to pre-pandemic levels. While the adjusted EBIT margin in the third quarter decreased driven by input costs, the year-to-date margin was 9.1%, reflecting our operational performance and ability to manage inflation impact.

We have continued to execute on our strategic priorities, and I am pleased to see how we are making progress on our sustainability, innovation and competitiveness initiatives. During the quarter Huhtamaki's climate targets were approved and validated by the globally recognized Science Based Targets initiative (SBTi). In July we launched Push Tab® paper, an industry-first sustainable renewable paper-based blister solution for the global healthcare industry. We also launched next generation tube laminates with renewable content for use in cosmetics and food sectors.

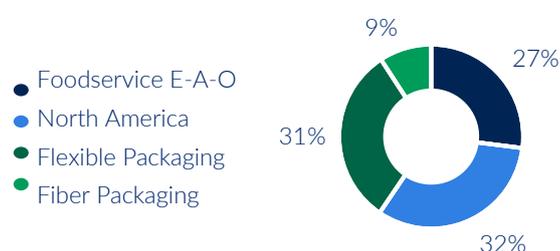
During the third quarter we completed the acquisition of Elif, a major supplier of sustainable flexible packaging to global FMCG brand owners, operating out of Turkey and Egypt. The acquisition of Elif expands our technology capabilities and product range. It also strengthens our position as a leading flexible packaging company in emerging markets. Together with all our employees, I warmly welcome our new Elif colleagues to the Huhtamaki family."

## Financial review Q3 2021

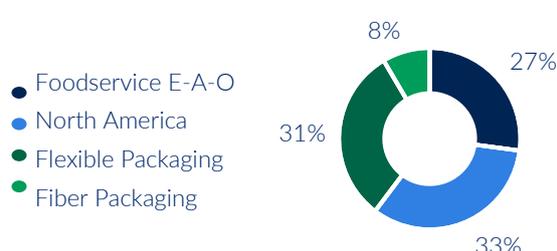
### Net sales by business segment

EUR million	Q3 2021	Q3 2020	Change
Foodservice Europe-Asia-Oceania	244.6	230.8	6%
North America	294.3	282.6	4%
Flexible Packaging	283.9	266.0	7%
Fiber Packaging	83.3	72.2	15%
Elimination of internal sales	-9.8	-4.3	
<b>Group</b>	<b>896.3</b>	<b>847.3</b>	<b>6%</b>

### Net sales by segment, Q3 2021



### Net sales by segment, Q3 2020



### Comparable net sales growth by business segment

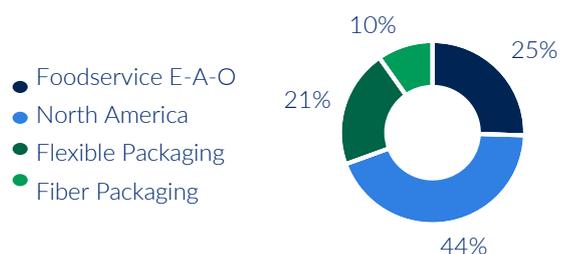
	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Foodservice Europe-Asia-Oceania	2%	40%	-2%	-7%	-1%
North America	5%	9%	-2%	-2%	4%
Flexible Packaging	7%	6%	0%	-0%	1%
Fiber Packaging	2%	1%	4%	8%	7%
<b>Group</b>	<b>4%</b>	<b>14%</b>	<b>-0%</b>	<b>-2%</b>	<b>2%</b>

The Group's net sales increased 6% to EUR 896 million (EUR 847 million) during the quarter. Comparable net sales growth was 4%. Net sales growth was supported by the continued recovery in demand for foodservice packaging globally. Growth in retail tableware in North America remained strong. Comparable growth was the highest in the Flexible Packaging segment. Comparable sales growth in emerging markets was 5%. Foreign currency translation impact on the Group's net sales was EUR 3 million (EUR -38 million) compared to 2020 exchange rates.

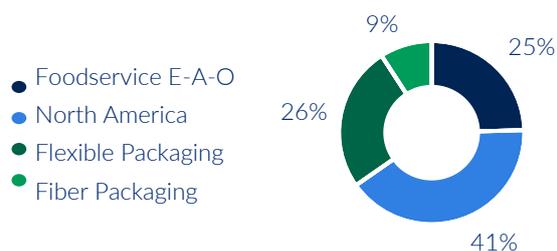
### Adjusted EBIT by business segment

EUR million	Q3 2021	Q3 2020	Change	Items affecting comparability	
				Q3 2021	Q3 2020
Foodservice Europe-Asia-Oceania	20.7	21.7	-4%	-0.7	-17.3
North America	35.8	36.0	-1%	-0.1	-3.2
Flexible Packaging	17.0	22.7	-25%	-10.3	-0.7
Fiber Packaging	7.9	8.0	-1%	-0.1	-0.2
Other activities	-5.1	-2.9		-0.1	0.6
<b>Group</b>	<b>76.3</b>	<b>85.5</b>	<b>-11%</b>	<b>-11.4</b>	<b>-20.9</b>

## Adjusted EBIT by segment, Q3 2021



## Adjusted EBIT by segment, Q3 2020



## Adjusted EBIT margin by business segment

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Foodservice Europe-Asia-Oceania	8.5%	8.4%	8.5%	7.3%	9.4%
North America	12.2%	13.0%	12.2%	11.8%	12.7%
Flexible Packaging	6.0%	6.1%	8.1%	7.2%	8.5%
Fiber Packaging	9.5%	10.3%	12.1%	14.8%	11.1%
<b>Group</b>	<b>8.5%</b>	<b>9.1%</b>	<b>9.6%</b>	<b>9.0%</b>	<b>10.1%</b>

The Group's adjusted EBIT decreased to EUR 76 million (EUR 86 million) and reported EBIT was EUR 65 million (EUR 65 million). Adjusted EBIT decreased due to increased input costs. Earnings decreased especially in the Flexible packaging segment. The Group's adjusted EBIT margin decreased and was 8.5% (10.1%). Foreign currency translation impact on the Group's earnings was EUR 0 million (EUR -4 million).

Adjusted EBIT excludes EUR -11.4 million (EUR -20.9 million) of items affecting comparability (IAC).

## Adjusted EBIT and IAC

EUR million	Q3 2021	Q3 2020
<b>Adjusted EBIT</b>	<b>76.3</b>	<b>85.5</b>
Acquisitions	-6.9	-0.2
Restructuring costs including write-downs of related assets	-4.5	-21.2
Settlement and legal fees of disputes	-0.0	-
Property damage incidents	0.0	-
One-time gain from acquisition of Laminor	-	0.5
<b>EBIT</b>	<b>64.9</b>	<b>64.7</b>

Net financial expenses were EUR 9 million (EUR 4 million). Tax expense was EUR 13 million (EUR 14 million). Profit for the third quarter was EUR 42 million (EUR 47 million). Adjusted earnings per share (EPS) was EUR 0.51 (EUR 0.56) and reported EPS EUR 0.41 (EUR 0.43). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -10.4 million (EUR -13.8 million) of IAC.

## Adjusted profit and IAC

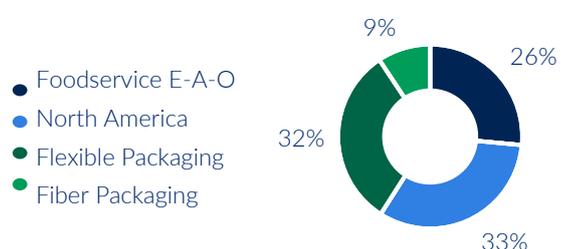
EUR million	Q3 2021	Q3 2020
<b>Adjusted profit for the period attributable to equity holders of the parent company</b>	<b>52.7</b>	<b>58.7</b>
IAC in EBIT	-11.4	-20.9
IAC in Financial items	-2.1	3.0
Taxes relating to IAC	3.2	4.0
<b>Profit for the period attributable to equity holders of the parent company</b>	<b>42.4</b>	<b>44.9</b>

## Financial review Q1-Q3 2021

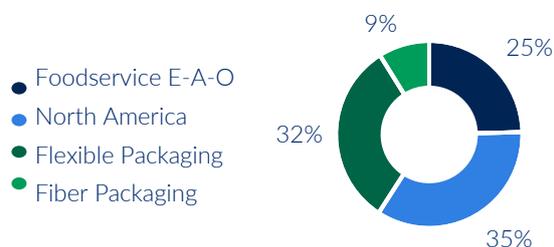
### Net sales by business segment

EUR million	Q1-Q3 2021	Q1-Q3 2020	Change
Foodservice Europe-Asia-Oceania	687.8	615.6	12%
North America	845.6	864.9	-2%
Flexible Packaging	821.7	800.0	3%
Fiber Packaging	242.2	222.5	9%
Elimination of internal sales	-21.9	-14.0	
<b>Group</b>	<b>2,575.3</b>	<b>2,489.0</b>	<b>3%</b>

### Net sales by segment, Q1-Q3 2021



### Net sales by segment, Q1-Q3 2020



### Comparable net sales growth by business segment

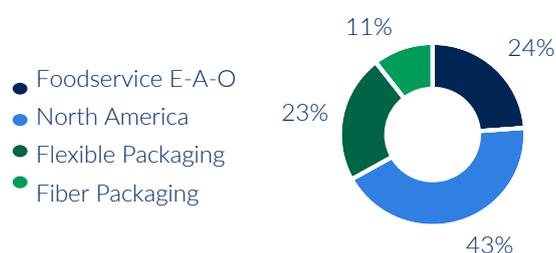
	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2019
Foodservice Europe-Asia-Oceania	11%	-11%	4%
North America	4%	2%	11%
Flexible Packaging	4%	2%	3%
Fiber Packaging	2%	9%	6%
<b>Group</b>	<b>6%</b>	<b>-1%</b>	<b>6%</b>

The Group's net sales increased 3% to EUR 2,575 million (EUR 2,489 million) during the review period. Comparable net sales growth was 6%. Net sales increased especially in the Foodservice Europe-Asia-Oceania segment, driven by continued recovery in demand for foodservice products. Sales of retail tableware in North America was strong. Comparable sales growth in emerging markets was 11%. Foreign currency translation impact on the Group's net sales was EUR -78 million (EUR -37 million) compared to 2020 exchange rates.

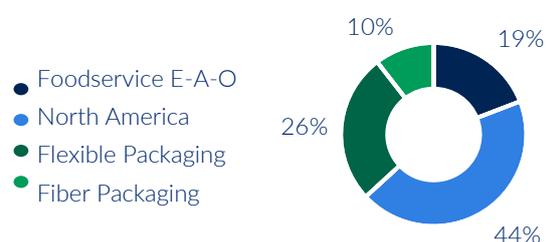
## Adjusted EBIT by business segment

EUR million	Q1-Q3 2021	Q1-Q3 2020	Change	Items affecting comparability	
				Q1-Q3 2021	Q1-Q3 2020
Foodservice Europe-Asia-Oceania	58.3	45.3	29%	-6.4	-19.4
North America	105.2	104.4	1%	-0.7	-6.6
Flexible Packaging	55.3	62.7	-12%	-13.0	-5.7
Fiber Packaging	25.7	24.8	4%	-0.7	-1.7
Other activities	-11.3	-7.9		-0.9	21.5
<b>Group</b>	<b>233.1</b>	<b>229.2</b>	<b>2%</b>	<b>-21.6</b>	<b>-11.8</b>

### Adjusted EBIT by segment, Q1-Q3 2021



### Adjusted EBIT by segment, Q1-Q3 2020



## Adjusted EBIT margin by business segment

	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2019
Foodservice Europe-Asia-Oceania	8.5%	7.4%	9.1%
North America	12.4%	12.1%	9.2%
Flexible Packaging	6.7%	7.8%	8.4%
Fiber Packaging	10.6%	11.1%	9.9%
<b>Group Total</b>	<b>9.1%</b>	<b>9.2%</b>	<b>8.7%</b>

The Group's adjusted EBIT increased to EUR 233 million (EUR 229 million) and reported EBIT was EUR 211 million (EUR 217 million). Adjusted EBIT improved following continued focus on operational efficiency and pricing actions and was offset by higher input costs. The increase in earnings was mainly supported by the Foodservice Europe-Asia-Oceania segment. The Group's adjusted EBIT margin decreased and was 9.1% (9.2%). Foreign currency translation impact on the Group's earnings was EUR -8 million (EUR -3 million).

Adjusted EBIT excludes EUR -21.6 million (EUR -11.8 million) of items affecting comparability (IAC).

## Adjusted EBIT and IAC

EUR million	Q1-Q3 2021	Q1-Q3 2020
<b>Adjusted EBIT</b>	<b>233.1</b>	<b>229.2</b>
Acquisitions	-8.5	-0.7
Restructuring costs including write-downs of related assets	-12.2	-33.6
Settlement and legal fees of disputes	-0.5	-
Property damage incidents	-0.5	-
One-time gain from acquisition of Laminor	-	22.4
<b>EBIT</b>	<b>211.5</b>	<b>217.4</b>

Net financial expenses were EUR 24 million (EUR 22 million). Tax expense was EUR 44 million (EUR 44 million). The corresponding tax rate was 23% (23%). Profit for the period was EUR 144 million (EUR 152 million). Adjusted earnings per share (EPS) were EUR 1.53 (EUR 1.46) and reported EPS EUR 1.35 (EUR 1.40). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -18.2 million (EUR -6.8 million) of IAC.

## Adjusted profit and IAC

EUR million	Q1-Q3 2021	Q1-Q3 2020
Adjusted profit for the period attributable to equity holders of the parent company	159.3	152.6
IAC in EBIT	-21.6	-11.8
IAC in Financial items	-2.1	3.0
Taxes relating to IAC	5.6	2.0
Profit for the period attributable to equity holders of the parent company	141.0	145.8

## Statement of financial position and cash flow

The Group's net debt increased mainly following the acquisition of Elif and was EUR 1,404 million (EUR 896 million) at the end of September. The level of net debt corresponds to a gearing ratio of 0.96 (0.65). Net debt to adjusted EBITDA ratio (excluding IAC) was 3.0 (1.9). Average maturity of external committed credit facilities and loans was 2.6 years (3.0 years).

On January 7, 2021, a signing of a EUR 400 million syndicated multicurrency revolving credit facility loan agreement ("RCF") with a maturity of three (3) years was announced. The RCF refinanced an earlier EUR 400 million credit facility signed in January 2015 and will be used for general corporate purposes of the Group. The RCF has two one-year extension options and the interest margin is tied to three sustainability indicators: share of renewable or recycled material in products, share of non-hazardous waste recycled and EcoVadis rating. During the third quarter of 2021, Huhtamäki Oyj signed a bridge financing facility of USD 500 million to support the financing of the acquisition of Elif.

Cash and cash equivalents were EUR 271 million (EUR 315 million) at the end of September and the Group had EUR 383 million (EUR 306 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 4,418 million (EUR 3,685 million).

Capital expenditure was EUR 147 million (EUR 120 million). The largest investments for business expansion were made in North America and Malaysia. The Group's free cash flow was EUR 28 million (EUR 150 million).

## Development in sustainability

At Huhtamaki, we are committed to protecting food, people and the planet. Our innovative products protect on-the-go and on-the-shelf food and beverages, ensuring hygiene and safety, and help prevent food waste. We aim to minimize the negative impacts of our operations and products on the environment while maximizing the positive impacts on our stakeholders, consumers and society.

As part of our 2030 Strategy, we are focusing on embedding sustainability in everything we do. Huhtamaki has continued its work on operational sustainability roadmaps to reach the 2030 sustainability ambitions. The site-specific roadmaps aim to identify tangible areas of improvement and the initiatives include for example actions to increase the use of renewable energy and to improve waste and water management processes. In April 2021, Huhtamaki renewed its global Environmental policy to ensure a group-wide understanding of Huhtamaki's environmental commitments. Huhtamaki has also continued to develop its human rights policies and processes to ensure that human rights are respected throughout the value chain. In September 2021, Huhtamaki's emission reduction targets were approved and validated by the global recognized Science Based Targets initiative. With the targets Huhtamaki is committed to limiting the global temperature rise to well-below 2°C in its operations and value chain and will reduce its direct and electricity greenhouse gas emissions by 27.5% by 2030 and greenhouse gas emissions from its product end-of-life by 13.5% also by the same timeframe.

Huhtamaki has developed a global sustainability dashboard with a selection of key performance indicators. These environmental key performance indicators reflect Huhtamaki's entire ESG agenda and may be revised from time to time. Read more about how we deliver on our sustainability ambition on [www.huhtamaki.com](http://www.huhtamaki.com).

## Impact of COVID-19

As a global leader in food on-the-go and food on-the-shelf packaging, Huhtamaki is an integral part of the supply chain making food safe, convenient and available to everyone in the world. Huhtamaki's customers are essential in ensuring the supply and access to food products for consumers worldwide. Packaging promotes hygiene and prevents spread of disease. It keeps food safe, prevents spoilage, preserves the food's original properties and helps in avoiding food waste. Huhtamaki's diversified portfolio of food on-the-go and food on-the-shelf packaging has been providing resilience from the impact of COVID-19.

Within food on-the-go packaging, foodservice sales have been affected by closures of quick-service restaurants and restrictions on movement. On the other hand, demand for food delivery has increased as people have stayed at home more. Demand for food on-the-shelf packaging, constituting of mainly flexible packaging and fiber packaging, has remained resilient to the effects of COVID-19. The impact on retail business and consumer goods products has been limited. The overall impact from COVID-19 on net sales has varied in accordance with the level of restrictions throughout the crisis. From the peak of the COVID-19 crisis in the second quarter of 2020, the demand for food on-the-go products has gradually recovered. The recovery has continued throughout the first three quarters 2021. Huhtamaki has a healthy balance sheet and its financial position is good. This has enabled the company to continue with investments in growth, innovation and efficiency activities all of which are key for its future success.

## Acquisitions and divestments

On April 21, 2021 Huhtamaki announced its agreement to acquire the assets of Jiangsu Hihio-Art Packaging Co. Ltd., a leading manufacturer of paper bags, wraps and folding carton packaging in China. With this acquisition, Huhtamaki continues to strengthen its position as the leading foodservice packaging provider in Asia and expands its product portfolio in China allowing it to better serve its existing and new customers in this exciting growth market. Jiangsu Hihio-Art Packaging employs approximately 200 people in its manufacturing unit in Xuzhou city, Jiangsu. In 2020 the annual net sales of the privately owned business were approximately EUR 20 million. The debt free purchase price was EUR 31 million. The acquisition was completed on June 11, 2021 and since then the business has been reported as part of the Foodservice Europe-Asia-Oceania business segment.

On August 16, 2021 Huhtamaki announced its agreement to acquire Elif Holding A.Ş. (Elif), a major supplier of sustainable flexible packaging to global FMCG brand owners, with operations in Turkey and in Egypt. In line with Huhtamaki's 2030 growth strategy, the acquisition adds scale in strategic geographies and supports Huhtamaki's progress towards reaching its high sustainability ambitions. The acquisition also expands Huhtamaki's technology capabilities and product range, allowing it to serve its customers even better. The net sales of the acquired business were approximately EUR 163 million (USD 195 million) in 2020. Elif employs approximately 1,500 people in its two manufacturing locations in Istanbul, Turkey and Cairo, Egypt. The cash free debt free purchase price was EUR 412 million (USD 483 million). The acquisition was completed on September 23, 2021 and since then the business has been reported as part of Huhtamaki's Flexible Packaging business segment.

## Business review by segment

### Foodservice Europe-Asia-Oceania

Foodservice paper and plastic disposable tableware, such as cups, is supplied to foodservice operators, fast food restaurants and coffee shops. The segment has production in Europe, South Africa, Middle East, Asia and Oceania.

EUR million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Net sales	244.6	230.8	6%	687.8	615.6	12%
Comparable net sales growth	2%	-1%		11%	-11%	
Adjusted EBIT <sup>1</sup>	20.7	21.7	-4%	58.3	45.3	29%
Margin <sup>1</sup>	8.5%	9.4%		8.5%	7.4%	
Adjusted RONA <sup>1</sup>				9.1%	8.5%	
Capital expenditure	19.2	12.6	53%	44.4	47.1	-6%
Operating cash flow <sup>1</sup>	6.1	25.9	-77%	40.0	30.0	33%
<i>Items affecting comparability (IAC)</i>	<i>-0.7</i>	<i>-17.5</i>		<i>-6.4</i>	<i>-19.4</i>	

<sup>1</sup> Excluding IAC.

#### Q3 2021

The demand for foodservice packaging continued to improve during the quarter. Following the easing of restrictions related to the pandemic, the market recovery continued in the third quarter. Variations between markets and product categories remained. Compared to Q3 2020, paperboard prices remained stable while polymer prices increased.

Net sales in the Foodservice Europe-Asia-Oceania segment increased, with growth of products related to food delivery continuing to be strong. Comparable net sales growth was 2%. Net sales increased in all main markets and was especially strong in Middle East and Africa.

The impact of currency movements on the segment's reported net sales was EUR 3 million.

The segment's adjusted EBIT decreased due to higher polymer and distribution costs and negative sales mix.

The impact of currency movements on the segment's reported earnings was EUR -0 million.

#### Q1-Q3 2021

Throughout the first three quarters of 2021, demand for foodservice packaging was negatively impacted by the COVID-19 pandemic. Demand improved gradually during the reporting period as restrictions started to be lifted. Compared to the previous year, polymer prices increased, whereas prices of paperboard remained stable.

Net sales in the Foodservice Europe-Asia-Oceania segment increased. Comparable net sales growth was 11%. Net sales increased in all main markets and was especially strong in Middle East and Africa.

The impact of currency movements on the segment's reported net sales was EUR -5 million.

The segment's adjusted EBIT improved as a result of pricing actions and continued focus on operational efficiency and was partially offset by higher polymer prices.

The impact of currency movements on the segment's reported earnings was EUR -1 million.

## North America

The North America segment serves local markets with Chinet® disposable tableware products, foodservice packaging products, as well as ice-cream containers and other consumer goods packaging products. The segment has production in the United States and Mexico.

EUR million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Net sales	294.3	282.6	4%	845.6	864.9	-2%
Comparable net sales growth	5%	4%		4%	2%	
Adjusted EBIT <sup>1</sup>	35.8	36.0	-1%	105.2	104.4	1%
Margin <sup>1</sup>	12.2%	12.7%		12.4%	12.1%	
Adjusted RONA <sup>1</sup>				17.5%	16.4%	
Capital expenditure	12.0	13.9	-14%	34.4	35.7	-4%
Operating cash flow <sup>1</sup>	45.6	48.8	-7%	92.6	128.0	-28%
<i>Items affecting comparability (IAC)</i>	<i>-0.1</i>	<i>-3.2</i>		<i>-0.7</i>	<i>-6.6</i>	

<sup>1</sup> Excluding IAC.

### Q3 2021

Demand for retail tableware was strong during the quarter. Demand for foodservice school lunch trays improved and ice cream packaging sales decreased. The labor market remained tight. Raw material prices and distribution costs were higher compared to Q3 2020.

Net sales in the North America segment increased, following high demand for foodservice packaging and retail tableware. Comparable net sales growth was 5%.

The impact of currency movements on the segment's reported net sales was EUR -3 million.

The segment's adjusted EBIT remained at the previous year's level. Earnings were supported by pricing actions and offset by higher raw material prices and distribution costs.

The impact of currency movements on the segment's reported earnings was EUR -0 million.

### Q1-Q3 2021

Demand for foodservice packaging was subdued in the beginning of the reporting period, though recovered gradually towards the end of the period. Demand for retail tableware was strong throughout the period. Raw material prices and distribution costs were higher compared to the previous year particularly towards the end of the period.

Net sales in the North America segment decreased, following negative currency impact. Comparable net sales growth was 4%. Growth was driven by both price and volume and was strongest in retail tableware.

The impact of currency movements on the segment's reported net sales was EUR -55 million.

The segment's adjusted EBIT improved. The improvement in profitability was driven by volume growth and pricing actions partially offset some by higher raw material prices and distribution costs.

The impact of currency movements on the segment's reported earnings was EUR -7 million.

## Flexible Packaging

Flexible packaging is used for a wide range of consumer products including food, pet food, hygiene and health care products. The segment serves global markets from production units in Europe, Middle East and Africa, Asia and South America.

EUR million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Net sales	283.9	266.0	7%	821.7	800.0	3%
Comparable net sales growth	7%	1%		4%	2%	
Adjusted EBIT <sup>1</sup>	17.0	22.7	-25%	55.3	62.7	-12%
Margin <sup>1</sup>	6.0%	8.5%		6.7%	7.8%	
Adjusted RONA <sup>1</sup>				8.1%	10.3%	
Capital expenditure	13.6	7.5	81%	33.3	23.0	45%
Operating cash flow <sup>1</sup>	-10.0	29.3	<-100%	16.7	38.4	-57%
<i>Items affecting comparability (IAC)</i>	<i>-10.5</i>	<i>-0.7</i>		<i>-13.6</i>	<i>-5.7</i>	

<sup>1</sup> Excluding IAC.

### Q3 2021

Overall demand for flexible packaging was good with variation between product categories and markets. The recovery in demand in emerging markets was slow, for example with lockdowns in Southeast Asia. The competitive situation in Southeast Asia remained tight. Raw material prices increased compared to Q3 2020.

Net sales in the Flexible Packaging segment increased and comparable net sales growth was 7%. Net sales increased in most markets, especially in Middle East and Africa, and Europe.

The impact of currency movements on the segment's reported net sales was EUR 0 million.

The segment's adjusted EBIT decreased due to higher raw material prices. Earnings improved especially in Middle East and Africa.

The impact of currency movements on the segment's reported earnings was EUR 0 million.

### Q1-Q3 2021

Demand for flexible packaging varied between product categories and markets during the first three quarters of the year. The competitive situation in Southeast Asia remained tight. Raw material prices increased compared to the previous year.

Net sales increased in the Flexible Packaging segment. Comparable net sales growth was 4%. Growth was driven by Middle East and Africa, and Southeast Asia and Oceania.

The impact of currency movements on the segment's reported net sales was EUR -20 million.

The segment's adjusted EBIT decreased due to higher raw material prices, partially offset by improved operational efficiency and pricing actions. Earnings growth was highest in Southeast Asia and Oceania.

The impact of currency movements on the segment's reported earnings was EUR -1 million.

## Fiber Packaging

Recycled and other natural fibers are used to make fresh product packaging, such as egg, fruit, food and drink packaging. The segment has production in Europe, Oceania, Africa and South America.

EUR million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Net sales	83.3	72.2	15%	242.2	222.5	9%
Comparable net sales growth	2%	7%		2%	9%	
Adjusted EBIT <sup>1</sup>	7.9	8.0	-1%	25.7	24.8	4%
Margin <sup>1</sup>	9.5%	11.1%		10.6%	11.1%	
Adjusted RONA <sup>1</sup>				15.2%	13.7%	
Capital expenditure	17.1	6.5	>100%	34.0	14.2	>100%
Operating cash flow <sup>1</sup>	-4.9	3.0	<-100%	0.1	10.3	-99%
Items affecting comparability (IAC)	-0.1	-0.2		-0.7	-1.7	

<sup>1</sup> Excluding IAC.

### Q3 2021

Demand for fiber-based packaging normalized on the back of very strong growth in consumption in 2020. Prices of recycled fiber increased compared to Q3 2020.

Net sales in the Fiber Packaging segment increased. Comparable net sales growth was 2%. Net sales growth was strongest in Southeast Asia and Oceania.

The impact of currency movements on the segment's reported net sales was EUR 2 million.

The segment's adjusted EBIT decreased, mainly due to higher raw material prices and was partially offset by pricing actions and operational efficiencies.

The impact of currency movements on the segment's reported earnings was EUR 0 million.

### Q1-Q3 2021

Demand for fiber-based packaging normalized on the back of very strong growth in consumption in 2020. Demand was supported by the strong in-house consumption trend especially in the beginning of the period. Strong demand for egg packaging continued. Prices of recycled fiber increased compared to the previous year.

Net sales in the Fiber Packaging segment increased. Comparable net sales growth was 2%. Net sales growth was driven by the increased demand due to COVID-19 pandemic.

The impact of currency movements on the segment's reported net sales was EUR 1 million.

The segment's adjusted EBIT increased due to continued operational efficiency and pricing actions and was partially offset by higher raw material prices.

The impact of currency movements on the segment's reported earnings was EUR 0 million.

## Personnel

### Number of personnel

	September 30, 2021	September 30, 2020	Change
Foodservice Europe-Asia-Oceania	4,684	4,814	-3%
North America	4,102	4,225	-3%
Flexible Packaging	8,486	7,550	12%
Fiber Packaging	1,811	1,858	-3%
Other activities	280	107	>100%
<b>Group</b>	<b>19,363</b>	<b>18,554</b>	<b>4%</b>

### Personnel by segment on September 30, 2021



### Personnel by segment on September 30, 2020



At the end of September 2021, the Group had a total of 19,363 (18,554) employees. The number of employees was 4% higher than in the comparison period.

## Changes in management

Ann O'Hara, MBA, BSE (Chemical Engineering), was appointed President, North America business segment and a member of the Global Executive Team as of January 1, 2021. Clay Dunn, President, North America business segment retired at the end of 2020.

Huhtamaki announced on July 22, 2021 that Teija Sarajärvi, Executive Vice President, Human Resources and Safety, and a member of Huhtamaki Global Executive Team, has decided to leave Huhtamaki in order to pursue another career opportunity. The process to find Teija's successor has been initiated.

Marco Hilty, Ph.D. (Business Administration) was appointed President, Flexible Packaging and a member of the Global Executive Team as of September 1, 2021. Arup Basu, President, Flexible Packaging, decided to leave Huhtamaki on May 12, 2021.

## Share capital, shareholders and trading of shares

### Share capital and number of shares

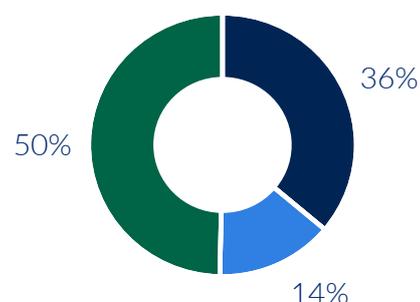
	September 30, 2021	September 30, 2020
Registered share capital (EUR million)	366	366
Total number of shares	107,760,385	107,760,385
Shares owned by the Company	3,395,709	3,410,709
% of total number of shares	3.2%	3.2%
Number of outstanding shares <sup>1</sup>	104,364,676	104,349,676
Average number of shares <sup>1,2</sup>	104,358,577	104,349,676

<sup>1</sup> Excluding shares owned by the Company

<sup>2</sup> Average number of outstanding shares used in EPS calculations

### Shareholder structure as at September 30, 2021

- Finnish institutions, companies and organizations
- Households
- Foreign and nominee-registered shareholders



The number of registered shareholders at the end of September 2021 was 40,747 (35,025). Foreign ownership including nominee registered shares accounted for 50% (49%).

### Trading of shares

Trading of Huhtamaki shares on Nasdaq Helsinki	Q1-Q3 2021	Q1-Q3 2020
Number of shares traded, million	39.0	46.7
Closing price on final day of trading, EUR	39.00	42.18
Volume-weighted average price, EUR	40.65	35.72
High, EUR	45.93	43.56
Low, EUR	37.20	24.18
Market capitalization (at end of period), EUR million	4,203	4,545

During the reporting period, the Company's shares were quoted on Nasdaq Helsinki Ltd on the Nordic Large Cap list under the Industrials sector. It was a component of the Nasdaq Helsinki 25 Index.

At the end of September 2021, the Company's market capitalization was EUR 4,203 million (EUR 4,545 million). With a closing price of EUR 39.00 (EUR 42.18) at the end of the reporting period, the share price decreased approximately 8% from the beginning of the year. During the reporting period the volume weighted average price for the Company's shares was EUR 40.65 (EUR 35.72). The highest price paid was EUR 45.93 (EUR 43.56) and the lowest was EUR 37.20 (EUR 24.18).

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 1,596 million (EUR 1,600 million). The trading volume of approximately 39 million (47 million) shares equaled an average daily turnover of 207,659 (246,944) shares. The cumulative value of the Company's share turnover including

alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 3,261 million (EUR 4,328 million). During the reporting period, 66% (63%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Fidessa Fragmentation Index, [fragmentation.fidessa.com](http://fragmentation.fidessa.com))

## Resolutions of the Annual General Meeting 2021

Huhtamäki Oyj's Annual General Meeting of Shareholders was held on April 22, 2021 in Espoo. The meeting adopted the Annual Accounts including the Consolidated Annual Accounts for 2020, discharged the members of the Company's Board of Directors and the CEO from liability, and approved all proposals made to the Annual General Meeting by the Board of Directors and the Shareholders' Nomination Board. The Annual General Meeting also approved the Remuneration Report for the Company's Governing Bodies presented to it.

The Annual General Meeting resolved that an aggregate dividend of EUR 0.92 per share be paid based on the balance sheet adopted for the financial period ended on December 31, 2020. The dividend was paid in two instalments. The first dividend instalment, EUR 0.46 per share, was paid to shareholders registered in the Company's shareholders' register maintained by Euroclear Finland Ltd on the record date for the first dividend instalment April 26, 2021. The payment date for the first dividend instalment was May 3, 2021. The second dividend instalment, EUR 0.46 per share, was paid to shareholders registered in the Company's shareholders' register maintained by Euroclear Finland Ltd on the record date for the second dividend instalment October 1, 2021. The payment date for the second dividend instalment was October 8, 2021.

The number of members of the Board of Directors was confirmed to as seven (7). Mr. Pekka Ala-Pietilä, Mr. Doug Baillie, Mr. William R. Barker, Ms. Anja Korhonen, Ms. Kerttu Tuomas, Ms. Sandra Turner and Mr. Ralf K. Wunderlich were re-elected as members of the Board of Directors for a term ending at the end of the next Annual General Meeting. The Annual General Meeting re-elected Mr. Pekka Ala-Pietilä as the Chairman of the Board and Ms. Kerttu Tuomas as the Vice-Chairman of the Board.

The Annual General Meeting resolved that the annual remuneration to the members of the Board of Directors will be paid as follows: to the Chairman of the Board EUR 140,000, to the Vice-Chairman EUR 75,000 and to the other members EUR 62,000 each. In addition, the Annual General Meeting resolved that the annual remuneration to the Chairman and members of the Board Committees will be paid as follows: to the Chairman of the Audit Committee EUR 15,000 and to the other members of the Audit Committee EUR 5,000 as well as to the Chairman of the Human Resources Committee EUR 5,000 and to the other members of the Human Resources Committee EUR 2,500. In addition, the Annual General Meeting resolved that EUR 1,500 will be paid for each Board and Committee meeting attended. Traveling expenses of the Board members will be compensated in accordance with the Company policy.

KPMG Oy Ab, a firm of authorized public accountants, was re-elected as Auditor of the Company for the financial year January 1 - December 31, 2021. Mr. Henrik Holmbom, APA, will continue to act as the Auditor with principal responsibility.

The Annual General Meeting authorized the Board of Directors to resolve on the repurchase of an aggregate maximum of 10,776,038 of the Company's own shares. Own shares may be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The authorization covers also directed repurchases of the Company's own shares. The authorization remains in force until the end of the next Annual General Meeting, however, no later than June 30, 2022.

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of shares and the issuance of special rights entitling to shares. The aggregate number of new shares to be issued may not exceed 10,000,000 shares which corresponds to approximately 9.3 percent of the current shares of the Company, and the aggregate number of own treasury shares to be transferred may not exceed 4,000,000 shares which corresponds to approximately 3.7 percent of the current shares of the Company. The authorization covers also directed issuances of shares. The authorization remains in force until the end of the next Annual General Meeting, however, no later than June 30, 2022.

## Short-term risks and uncertainties

The COVID-19 pandemic may create further disturbances in the Group's trading conditions and its operating environment, as well as in demand for the Group's products. Availability and cost of raw material, distribution and energy

as well as movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations. General political, economic and financial market conditions can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings. Further, natural disasters and social unrest may have negative effects on the Group's operating environment.

## Outlook for 2021 (unchanged)

The Group's trading conditions are expected to improve compared to 2020, however with continued volatility in the operating environment. Huhtamaki's diversified product portfolio provides resilience and the Group's good financial position enables addressing profitable growth opportunities.

## Financial reporting in 2022

In 2022, Huhtamaki will publish financial information as follows:

Results 2021	February 10
Interim Report, January 1 - March 31, 2022	April 27
Half-yearly Report, January 1 - June 30, 2022	July 21
Interim Report, January 1 - September 30, 2022	October 21

Annual Accounts 2021 will be published on the week commencing February 28, 2022.

Huhtamäki Oyj's Annual General Meeting is planned to be held on April 27, 2022.

Espoo, October 20, 2021

Huhtamäki Oyj  
Board of Directors

## Group income statement (IFRS) - unaudited

<i>EUR million</i>	Q1-Q3 2021	Q1-Q3 2020	Q3 2021	Q3 2020	Q1-Q4 2020
<b>Net sales</b>	<b>2,575.3</b>	<b>2,489.0</b>	<b>896.3</b>	<b>847.3</b>	<b>3,301.8</b>
Cost of goods sold	-2,138.5	-2,066.2	-746.8	-703.2	-2,748.6
<b>Gross profit</b>	<b>436.8</b>	<b>422.8</b>	<b>149.5</b>	<b>144.1</b>	<b>553.3</b>
Other operating income	13.7	34.2	5.9	4.9	42.8
Sales and marketing	-56.5	-60.1	-18.0	-19.9	-81.4
Research and development	-19.5	-15.0	-6.7	-4.7	-20.7
Administration expenses	-147.5	-152.6	-58.7	-53.1	-199.6
Other operating expenses	-15.4	-12.3	-7.1	-6.6	-29.4
Share of profit of equity-accounted investments	-	0.4	-	-0.0	0.4
	<b>-225.3</b>	<b>-205.4</b>	<b>-84.6</b>	<b>-79.5</b>	<b>-288.0</b>
<b>Earnings before interest and taxes</b>	<b>211.5</b>	<b>217.4</b>	<b>64.9</b>	<b>64.7</b>	<b>265.3</b>
Financial income	2.7	6.4	0.4	3.6	10.2
Financial expenses	-26.5	-28.2	-9.9	-7.8	-38.4
<b>Profit before taxes</b>	<b>187.7</b>	<b>195.7</b>	<b>55.4</b>	<b>60.5</b>	<b>237.1</b>
Income tax expense	-43.9	-44.0	-13.0	-13.6	-53.3
<b>Profit for the period</b>	<b>143.8</b>	<b>151.6</b>	<b>42.4</b>	<b>46.9</b>	<b>183.7</b>
<b>Attributable to:</b>					
Equity holders of the parent company	141.0	145.8	42.4	44.9	176.8
Non-controlling interest	2.7	5.9	0.1	2.0	6.9
<b>EUR</b>					
EPS attributable to equity holders of the parent company	1.35	1.40	0.41	0.43	1.69
Diluted EPS attributable to equity holders of the parent company	1.35	1.40	0.41	0.43	1.69

## Group statement of comprehensive income (IFRS) - unaudited

<i>EUR million</i>	Q1-Q3 2021	Q1-Q3 2020	Q3 2021	Q3 2020	Q1-Q4 2020
Profit for the period	143.8	151.6	42.4	46.9	183.7
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements on defined benefit plans	0.3	-0.1	0.0	0.0	-1.4
Income taxes related to items that will not be reclassified	-0.1	0.0	0.0	-0.0	2.0
<b>Total</b>	<b>0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>
Items that may be reclassified subsequently to profit or loss					
Translation differences	69.7	-114.7	19.7	-55.0	-153.6
Equity hedges	-11.2	8.6	-3.5	6.5	17.2
Cash flow hedges	4.5	-0.9	2.0	-0.2	-2.3
Income taxes related to items that may be reclassified	-1.0	0.3	-0.4	-0.3	0.7
<b>Total</b>	<b>62.0</b>	<b>-106.7</b>	<b>17.7</b>	<b>-49.0</b>	<b>-138.1</b>
<b>Other comprehensive income, net of tax</b>	<b>62.2</b>	<b>-106.8</b>	<b>17.7</b>	<b>-49.0</b>	<b>-137.4</b>
<b>Total comprehensive income</b>	<b>205.9</b>	<b>44.8</b>	<b>60.2</b>	<b>-2.1</b>	<b>46.3</b>
Attributable to:					
Equity holders of the parent company	202.8	39.0	60.1	-4.1	39.9
Non-controlling interest	3.2	5.8	0.1	2.1	6.4

## Group statement of financial position (IFRS) - unaudited

<i>EUR million</i>	Sep 30, 2021	Dec 31, 2020	Sep 30, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	1,036.0	732.4	740.8
Other intangible assets	44.7	37.4	35.4
Tangible assets	1,566.2	1,365.3	1,332.3
Other investments	2.2	2.3	2.3
Interest-bearing receivables	2.0	3.3	3.3
Deferred tax assets	63.4	61.3	50.2
Employee benefit assets	58.9	57.4	51.5
Other non-current assets	4.2	3.4	3.5
	<b>2,777.6</b>	<b>2,262.8</b>	<b>2,219.4</b>
<b>Current assets</b>			
Inventory	631.3	473.4	523.3
Interest-bearing receivables	2.0	7.4	28.6
Current tax assets	22.1	16.3	19.7
Trade and other current receivables	714.3	520.5	578.7
Cash and cash equivalents	271.3	315.5	315.1
	<b>1,640.9</b>	<b>1,333.0</b>	<b>1,465.4</b>
<b>Total assets</b>	<b>4,418.5</b>	<b>3,595.8</b>	<b>3,684.7</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	366.4	366.4	366.4
Premium fund	115.0	115.0	115.0
Treasury shares	-31.2	-31.3	-31.3
Translation differences	-143.9	-202.3	-172.0
Fair value and other reserves	-100.5	-103.8	-104.0
Retained earnings	1,184.5	1,140.1	1,129.1
<b>Total equity attributable to equity holders of the parent company</b>	<b>1,390.3</b>	<b>1,284.1</b>	<b>1,303.2</b>
Non-controlling interest	76.4	80.4	76.2
<b>Total equity</b>	<b>1,466.6</b>	<b>1,364.5</b>	<b>1,379.4</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	1,270.4	941.4	929.3
Deferred tax liabilities	116.3	99.1	96.5
Employee benefit liabilities	224.6	228.5	219.5
Provisions	14.6	12.1	12.1
Other non-current liabilities	10.0	12.6	14.3
	<b>1,636.0</b>	<b>1,293.6</b>	<b>1,271.6</b>
<b>Current liabilities</b>			
Interest-bearing liabilities			
Current portion of long term loans	150.4	95.4	118.8
Short-term loans	258.1	156.2	195.2
Provisions	7.2	22.1	12.7
Current tax liabilities	76.6	66.6	64.2
Trade and other current liabilities	823.6	597.4	642.9
	<b>1,315.8</b>	<b>937.7</b>	<b>1,033.7</b>
<b>Total liabilities</b>	<b>2,951.8</b>	<b>2,231.3</b>	<b>2,305.3</b>
<b>Total equity and liabilities</b>	<b>4,418.5</b>	<b>3,595.8</b>	<b>3,684.7</b>

## Group statement of changes in equity (IFRS) - unaudited

Attributable to equity holders of the parent company

<i>EUR million</i>	Share capital	Share issue premium	Treasury shares	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
<b>Balance on January 1, 2020</b>	366.4	115.0	-31.3	-65.8	-103.4	1,067.1	1,348.0	89.1	1,437.1
Dividends paid						-92.9	-92.9		-92.9
Share-based payments						1.6	1.6		1.6
Total comprehensive income for the year				-106.1	-0.7	145.8	39.0	5.8	44.8
Acquisition of non-controlling interest						8.7	8.7	-8.3	0.4
Other Changes						-1.3	-1.3	-10.4	-11.7
<b>Balance on Sep 30, 2020</b>	366.4	115.0	-31.3	-172.0	-104.0	1,129.1	1,303.2	76.2	1,379.4
<b>Balance on January 1, 2021</b>	366.4	115.0	-31.3	-202.3	-103.8	1,140.1	1,284.1	80.4	1,364.5
Dividends paid						-96.0	-96.0		-96.0
Share-based payments			0.1			3.1	3.2		3.2
Total comprehensive income for the year				58.5	3.2	141.0	202.8	3.2	205.9
Acquisition of non-controlling interest						-4.1	-4.1	-8.0	-12.1
Other Changes						0.4	0.4	0.8	1.2
<b>Balance on Sep 30, 2021</b>	366.4	115.0	-31.2	-143.9	-100.5	1,184.5	1,390.3	76.4	1,466.6

## Group statement of cash flows (IFRS) - unaudited

<i>EUR million</i>	Q1-Q3 2021	Q1-Q3 2020	Q3 2021	Q3 2020	Q1-Q4 2020
<b>Profit for the period*</b>	143.8	151.6	42.4	46.9	183.7
Adjustments*	189.4	193.4	69.1	76.4	271.3
Depreciation and amortization*	125.6	145.7	43.1	55.4	199.2
Share of profit of equity-accounted investments*	-	-0.4	-	0.0	-0.4
Gain/loss from disposal of assets*	2.1	-0.1	0.1	0.0	0.5
Financial expense/-income*	23.8	21.7	9.5	4.2	28.2
Income tax expense*	43.9	44.0	13.0	13.6	53.3
Other adjustments, operational*	-6.0	-17.7	3.4	3.2	-9.6
Change in inventory*	-83.8	-49.4	-26.1	-1.6	-4.7
Change in non-interest bearing receivables*	-123.2	3.0	-23.9	23.3	50.9
Change in non-interest bearing payables*	106.1	18.8	12.9	26.6	-6.6
Dividends received*	0.1	0.0	0.1	0.0	0.0
Interest received*	1.4	1.8	0.2	0.2	2.6
Interest paid*	-14.9	-16.2	-4.6	-4.7	-23.4
Other financial expense and income*	-1.8	-0.6	-1.4	-0.6	-0.4
Taxes paid*	-43.3	-34.0	-16.5	-22.8	-44.9
<b>Net cash flows from operating activities</b>	<b>173.7</b>	<b>268.6</b>	<b>52.2</b>	<b>143.8</b>	<b>428.6</b>
Capital expenditure*	-147.2	-120.3	-62.3	-40.6	-223.5
Proceeds from selling tangible assets*	1.1	1.3	0.3	0.5	1.9
Acquired subsidiaries and assets	-354.7	-38.0	-333.1	-0.6	-39.0
Proceeds from long-term deposits	1.7	0.8	0.0	0.3	0.9
Payment of long-term deposits	-0.3	0.0	-0.0	0.0	-0.2
Proceeds from short-term deposits	6.3	8.8	2.0	2.9	34.2
Payment of short-term deposits	-0.8	-24.6	-0.0	-20.6	-28.7
<b>Net cash flows from investing activities</b>	<b>-493.8</b>	<b>-171.9</b>	<b>-393.2</b>	<b>-58.0</b>	<b>-254.3</b>
Proceeds from long-term borrowings	621.3	313.8	499.8	161.9	345.2
Repayment of long-term borrowings	-267.9	-155.9	-131.2	-17.5	-199.4
Change in short-term loans	-21.4	-26.4	41.4	-46.8	-94.8
Acquisition of non-controlling interest	-15.1	-	-12.3	-	-
Dividends paid	-48.0	-92.9	0.0	-92.9	-92.9
<b>Net cash flows from financing activities</b>	<b>268.9</b>	<b>38.7</b>	<b>397.7</b>	<b>4.7</b>	<b>-41.8</b>
<b>Change in liquid assets</b>	<b>-44.2</b>	<b>115.7</b>	<b>58.7</b>	<b>80.8</b>	<b>116.0</b>
Cash flow based	-51.2	135.3	56.7	90.4	132.5
Translation difference	7.0	-19.6	2.0	-9.6	-16.5
Liquid assets period start	315.5	199.4	212.6	234.3	199.4
Liquid assets period end	271.3	315.1	271.3	315.1	315.5
Free cash flow (including figures marked with *)	27.5	149.6	-9.9	103.7	207.1

## Notes to the Interim Report

The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. Except for the accounting policy changes listed below, the same accounting policies have been applied in the Interim Report as in the annual financial statements for 2020. The following new and amended standards and interpretations have been adopted with effect from January 1, 2021:

- **Revised IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases** (Interest Rate Benchmark Reform. Phase 2). Amendments address issues affecting financial statements when changes are made to contractual cash flows and hedging relationships as a result of interest rate benchmark reform. Amendments assist companies in providing useful information about the effects of interest rate benchmark reform on financial statements. Group's risk exposure that is directly affected by the reform are fair value hedge accounting of long term fixed rate debt for changes in fair value attributable to changes in EURIBOR and cash flow hedge accounting for long term floating rate debt for fair value changes attributable to changes in USD LIBOR. The Group will continue to monitor the effects of the IBOR reform. The amendments had no impact on the interim financial statements.

Description of the impact of COVID-19 on the business can be found in the chapter 'Impact of COVID-19' in the Results Review.

## Segments

Segment information is presented according to the IFRS standards. Items below EBIT – financial items and taxes – are not allocated to the segments. Reportable segments' net sales and EBIT form Group's total net sales and EBIT, so no reconciliations to corresponding amounts are presented.

### Net sales

<i>EUR million</i>	Q1-Q3 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	685.2	243.3	235.2	206.7	825.9	212.7	230.3	166.4	216.4
Intersegment net sales	2.6	1.3	0.6	0.6	3.2	0.8	0.5	0.8	1.2
North America	842.8	293.7	293.9	255.2	1,134.2	273.0	281.8	294.6	284.8
Intersegment net sales	2.8	0.7	1.3	0.8	4.7	1.0	0.8	1.5	1.4
Flexible Packaging	817.1	282.4	269.3	265.5	1,046.5	250.4	264.5	261.7	269.9
Intersegment net sales	4.6	1.5	1.4	1.6	4.3	0.3	1.5	1.4	1.1
Fiber Packaging	230.2	77.0	78.8	74.5	295.2	76.6	70.7	74.4	73.5
Intersegment net sales	11.9	6.3	1.6	4.1	12.6	8.7	1.5	1.4	1.0
Elimination of intersegment net sales	-21.9	-9.8	-5.0	-7.1	-24.8	-10.8	-4.3	-5.1	-4.6
<b>Total</b>	<b>2,575.3</b>	<b>896.3</b>	<b>877.1</b>	<b>801.9</b>	<b>3,301.8</b>	<b>812.8</b>	<b>847.3</b>	<b>797.1</b>	<b>844.6</b>

### EBIT

<i>EUR million</i>	Q1-Q3 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	51.9	20.0	18.5	13.4	30.9	5.0	4.4	5.7	15.8
North America	104.5	35.7	37.6	31.2	130.1	32.3	32.8	37.9	27.1
Flexible Packaging	42.3	6.7	14.9	20.6	74.5	17.4	21.9	18.9	16.3
Fiber Packaging	25.0	7.8	7.8	9.5	32.2	9.2	7.8	7.7	7.5
Other activities	-12.2	-5.3	-3.8	-3.1	-2.4	-16.0	-2.3	0.0	15.9
<b>Total</b>	<b>211.5</b>	<b>64.9</b>	<b>75.0</b>	<b>71.6</b>	<b>265.3</b>	<b>47.9</b>	<b>64.7</b>	<b>70.2</b>	<b>82.6</b>

### IAC in EBIT

<i>EUR million</i>	Q1-Q3 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	-6.4	-0.7	-1.4	-4.2	-30.0	-10.5	-17.3	-0.5	-1.6
North America	-0.7	-0.1	-0.6	-	-6.5	0.1	-3.2	-0.0	-3.4
Flexible Packaging	-13.0	-10.3	-1.6	-1.1	-6.2	-0.5	-0.7	-0.3	-4.7
Fiber Packaging	-0.7	-0.1	-0.5	0.0	-5.2	-3.5	-0.2	-0.8	-0.7
Other activities	-0.9	-0.1	-0.7	-0.0	11.0	-10.5	0.6	1.7	19.3
<b>Total</b>	<b>-21.6</b>	<b>-11.4</b>	<b>-4.9</b>	<b>-5.3</b>	<b>-36.8</b>	<b>-24.9</b>	<b>-20.9</b>	<b>0.1</b>	<b>8.9</b>

## EBITDA

<i>EUR million</i>	Q1-Q3 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	95.0	34.2	31.7	29.1	104.9	26.4	28.0	19.5	31.0
North America	142.1	48.6	50.1	43.4	185.4	44.5	48.8	51.5	40.7
Flexible Packaging	69.5	16.5	22.6	30.3	116.5	27.4	32.3	28.0	28.8
Fiber Packaging	40.9	13.4	13.1	14.4	57.7	18.5	12.7	13.3	13.2
Other activities	-10.4	-4.7	-3.2	-2.5	0.1	-15.4	-1.7	0.7	16.4
<b>Total</b>	<b>337.1</b>	<b>108.0</b>	<b>114.3</b>	<b>114.8</b>	<b>464.5</b>	<b>101.4</b>	<b>120.1</b>	<b>113.0</b>	<b>130.1</b>

## IAC in EBITDA

<i>EUR million</i>	Q1-Q3 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	-4.1	-0.7	-1.4	-1.9	-11.3	-3.1	-7.4	-0.5	-0.3
North America	-0.7	-0.1	-0.6	-	-3.3	0.0	0.1	-0.0	-3.4
Flexible Packaging	-14.6	-10.1	-3.5	-1.0	-3.3	-0.5	-0.2	-0.5	-2.3
Fiber Packaging	-0.8	-0.1	-0.5	-0.1	-1.7	-1.3	-0.1	-0.1	-0.2
Other activities	-0.9	-0.1	-0.7	-0.0	11.0	-10.5	0.6	1.7	19.3
<b>Total</b>	<b>-21.0</b>	<b>-11.2</b>	<b>-6.8</b>	<b>-3.0</b>	<b>-8.6</b>	<b>-15.4</b>	<b>-7.1</b>	<b>0.9</b>	<b>13.1</b>

## Depreciation and amortization

<i>EUR million</i>	Q1-Q3 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	43.0	14.2	13.2	15.7	74.0	21.4	23.6	13.8	15.2
North America	37.6	12.9	12.5	12.2	55.3	12.2	16.0	13.6	13.6
Flexible Packaging	27.2	9.8	7.7	9.7	42.0	9.9	10.3	9.1	12.6
Fiber Packaging	15.9	5.6	5.4	4.9	25.5	9.3	4.9	5.6	5.6
Other activities	1.8	0.6	0.6	0.6	2.5	0.6	0.7	0.7	0.6
<b>Total</b>	<b>125.6</b>	<b>43.1</b>	<b>39.3</b>	<b>43.1</b>	<b>199.2</b>	<b>53.5</b>	<b>55.4</b>	<b>42.8</b>	<b>47.5</b>

## Net assets allocated to the segments<sup>1</sup>

<i>EUR million</i>	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	848.2	841.1	810.2	789.8	788.8	803.8	775.2
North America	796.8	793.8	801.8	748.3	779.0	826.6	878.6
Flexible Packaging	1,321.8	824.7	808.5	783.1	801.0	822.3	828.8
Fiber Packaging	274.1	261.7	251.1	242.4	236.4	236.7	234.7

<sup>1</sup> Following statement of financial position items are included in net assets: intangible and tangible assets, equity-accounted investments, other non-current assets, inventories, trade and other current receivables (excluding accrued interest income), other non-current liabilities and trade and other current liabilities (excluding accrued interest expense).

## Capital expenditure

<i>EUR million</i>	Q1-Q3 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	44.4	19.2	15.4	9.8	78.7	31.6	12.6	18.5	16.0
North America	34.4	12.0	12.8	9.6	71.7	35.9	13.9	9.9	11.9
Flexible Packaging	33.3	13.6	11.5	8.1	35.9	12.9	7.5	7.5	7.9
Fiber Packaging	34.0	17.1	11.6	5.2	36.7	22.5	6.5	4.3	3.4
Other activities	1.1	0.4	0.5	0.3	0.4	0.2	0.0	0.1	0.1
<b>Total</b>	<b>147.2</b>	<b>62.3</b>	<b>51.8</b>	<b>33.0</b>	<b>223.5</b>	<b>103.2</b>	<b>40.6</b>	<b>40.3</b>	<b>39.4</b>

## RONA (12m roll.)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	7.0%	5.1%	3.6%	3.9%	6.0%	8.4%	10.6%
North America	17.4%	16.9%	16.6%	16.0%	15.6%	14.1%	13.3%
Flexible Packaging	6.6%	9.3%	9.8%	9.3%	9.5%	9.4%	9.8%
Fiber Packaging	13.5%	13.9%	14.2%	13.6%	12.9%	12.2%	12.2%

## Operating cash flow

<i>EUR million</i>	Q1-Q3 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	40.0	6.1	12.5	21.4	41.6	11.7	25.9	-7.0	11.1
North America	92.6	45.6	34.1	13.0	150.1	22.1	48.8	71.9	7.3
Flexible Packaging	16.7	-10.0	11.8	14.8	83.8	45.4	29.3	7.4	1.7
Fiber Packaging	0.1	-4.9	2.4	2.6	18.9	8.5	3.0	7.5	-0.1

## Business combinations

### Jiangsu Hihio-Art Packaging

On June 11, 2021 Huhtamaki completed the acquisition of Jiangsu Hihio-Art Packaging Co. Ltd.'s business operations. Jiangsu Hihio-Art Packaging is a privately owned manufacturer of paper bags, wraps and folding carton packaging in China. The acquisition strengthens Huhtamaki's position as the leading foodservice packaging provider in Asia and expands its product portfolio allowing it to better serve both existing and new customers in China. The debt free purchase price was EUR 31 million including a contingent consideration. The acquired business is incorporated into and reports as part of the Foodservice Europe-Asia-Oceania reporting segment as of June 11, 2021. The goodwill from the acquired business is expected to be non-deductible for income tax purposes. The transaction costs EUR 0.8 million are included in the Group income statement in Administration expenses (EUR 0.5 million) and Other operating expenses (EUR 0.3 million).

The draft values of acquired assets and liabilities at time of acquisition were as follows:

#### *EUR million*

Tangible assets	13.3
Inventory	3.3
<b>Total assets</b>	<b>16.6</b>
<b>Net assets total</b>	<b>16.6</b>
Goodwill	14.1
<b>Consideration</b>	<b>30.7</b>
Consideration, paid in cash	24.7
Consideration, contingent	6.1

#### Analysis of cash flows of acquisition

#### *EUR million*

Purchase consideration, cash payment	-24.7
Transaction costs of the acquisition	-0.8
<b>Net cash flow on acquisition</b>	<b>-25.5</b>

The net sales of the acquired business included in the Group income statement since acquisition date were EUR 6.2 million and result for the period was EUR -0.2 million. The net sales and the result for the period of the acquired business would not have had material effect in the Group income statement, if the acquired business had been consolidated from January 1, 2021.

## Elif Holding

On September 23, 2021 Huhtamaki has completed the acquisition of Elif Holding A.Ş. (Elif), a major supplier of sustainable flexible packaging to global FMCG brand owners, with operations in Turkey and in Egypt. With this acquisition, Huhtamaki reinforces its position as a leading flexible packaging company in emerging markets and strengthens its existing flexible packaging business in attractive consumer product categories. The cash free debt free purchase price was EUR 412 million (USD 483 million). The acquired business is reported as part of Huhtamaki's Flexible Packaging business segment as of September 23, 2021. The goodwill from the acquired business is expected to be non-deductible for income tax purposes. The transaction costs EUR 8.7 million are included in the Group income statement in Administration expenses (EUR 6.5 million) and Financial expenses (EUR 2.1 million).

The draft values of acquired assets and liabilities at time of acquisition were as follows:

### *EUR million*

Other intangible assets	3.8
Tangible assets	106.8
Inventory	56.7
Trade and other receivables	59.5
Cash and cash equivalents	28.3
<b>Total assets</b>	<b>255.1</b>
Interest bearing liabilities	112.5
Deferred tax liabilities	15.8
Trade and other liabilities	37.3
<b>Total liabilities</b>	<b>165.5</b>
<b>Net assets total</b>	<b>89.5</b>
Goodwill	268.7
<b>Consideration</b>	<b>358.3</b>
Consideration, paid in cash	358.3

### Analysis\_of\_cash flows\_of\_acquisitions

#### *EUR million*

Purchase consideration, cash payment	-358.3
Cash and cash equivalents in acquired companies	28.3
Transaction costs of the acquisition	-8.7
<b>Net cash flow on acquisition</b>	<b>-338.7</b>

The net sales or the results of the acquired business have not yet been consolidated in the Group income statement since acquisition date.

## Other information

### Key indicators

	Q1-Q3 2021	Q1-Q4 2020	Q1-Q3 2020
Equity per share (EUR)	13.32	12.31	12.49
ROE, % (12m roll.)	12.4	12.9	14.3
ROI, % (12m roll.)	9.7	10.3	11.3
Net debt	1,403.7	866.8	896.3
Net debt to equity (gearing)	0.96	0.64	0.65
Personnel	19,363	18,227	18,554
Profit before taxes (EUR million, 12m roll.)	229.1	237.1	261.9
Depreciation of tangible assets (EUR million)	118.4	185.4	135.9
Amortization of other intangible assets (EUR million)	7.2	13.8	9.8

### Contingent liabilities

<i>EUR million</i>	Sep 30, 2021	Dec 31, 2020	Sep 30, 2020
Capital expenditure commitments	82.9	45.2	66.4

### Financial instruments measured at fair value

<i>EUR million</i>	Sep 30, 2021	Dec 31, 2020	Sep 30, 2020
Derivatives - assets			
Currency forwards, transaction risk hedges	2.3	1.8	2.9
Currency forwards, translation risk hedges	0.2	4.5	2.9
Currency forwards, for financing purposes	12.8	6.4	7.8
Currency options, transaction risk hedges	0.0	0.2	0.3
Interest rate swaps	0.4	0.8	1.0
Other investments	2.2	2.3	2.3
Derivatives - liabilities			
Currency forwards, transaction risk hedges	0.0	5.2	2.6
Currency forwards, translation risk hedges	1.7	0.3	0.1
Currency forwards, for financing purposes	10.2	3.8	1.5
Currency options, transaction risk hedges	-	0.4	0.4
Interest rate swaps	1.8	3.3	3.6
Cross currency swaps	1.2	2.1	2.6

The fair values of the financial instruments measured at fair value have been indirectly derived from market prices. Other investments include quoted and unquoted shares. Quoted shares are measured at fair value. For unquoted shares the fair value cannot be measured reliably, as a result of which the investments are carried at cost.

### Interest-bearing liabilities

<i>EUR million</i>	Sep 30, 2021		Dec 31, 2020		Sep 30, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	1,270.4	1,268.2	941.4	925.0	929.3	939.5
Current	408.5	408.5	251.6	251.6	314.0	314.0
<b>Total</b>	<b>1,678.9</b>	<b>1,676.7</b>	<b>1,193.0</b>	<b>1,176.6</b>	<b>1,243.3</b>	<b>1,253.5</b>

## Exchange rates

The exchange rates used at the month end are the rates of the date prior to the last working day of the month.

Income statement, average:

	Q1-Q3 2021	Q1-Q3 2020
AUD 1 =	0.6343	0.6013
GBP 1 =	1.1571	1.1310
INR 1 =	0.0114	0.0120
RUB 1 =	0.0113	0.0125
THB 1 =	0.0265	0.0282
USD 1 =	0.8354	0.8898

Statement of financial position, month end:

	Sep 30, 2021	Sep 30, 2020
AUD 1 =	0.6207	0.6093
GBP 1 =	1.1568	1.0993
INR 1 =	0.0116	0.0116
RUB 1 =	0.0118	0.0109
THB 1 =	0.0253	0.0270
USD 1 =	0.8581	0.8546

## Definitions for performance measures

### Performance measures according to IFRS

Earnings per share (EPS) attributable to equity holders of the parent company =

$\frac{\text{Profit for the period} - \text{non-controlling interest}}{\text{Average number of shares outstanding}}$

Diluted earnings per share (diluted EPS) attributable to equity holders of the parent company =

$\frac{\text{Diluted profit for the period} - \text{non-controlling interest}}{\text{Average fully diluted number of shares outstanding}}$

### Alternative performance measures

EBITDA =

EBIT + depreciation and amortization

Net debt to equity (gearing) =

$\frac{\text{Interest-bearing net debt}}{\text{Total equity}}$

Return on net assets (RONA) =

$\frac{100 \times \text{Earnings before interest and taxes (12m roll)}}{\text{Net assets (12m roll)}}$

Operating cash flow =

Adjusted EBIT + depreciation and amortization - capital expenditure + disposals +/- change in inventories, trade receivables and trade payables

Shareholders' equity per share =

$\frac{\text{Total equity attributable to equity holders of the parent company}}{\text{Number of shares outstanding at period end}}$

Return on equity (ROE) =

$\frac{100 \times \text{Profit for the period (12m roll)}}{\text{Total equity (average)}}$

Return on investment (ROI) =

$\frac{100 \times (\text{Profit before taxes} + \text{interest expenses} + \text{net other financial expenses}) (12m roll.)}{\text{Statement of financial position total} - \text{interest-free liabilities (average)}}$

Comparable net sales growth =

Net sales growth excluding foreign currency changes, acquisitions and divestments

In addition to IFRS and alternative performance measures presented above, Huhtamaki may present adjusted performance measures, which are derived from IFRS or alternative performance measures by adding or deducting items affecting comparability (IAC). The adjusted performance measures are used in addition to, but not substituting, the performance measures reported in accordance with IFRS.